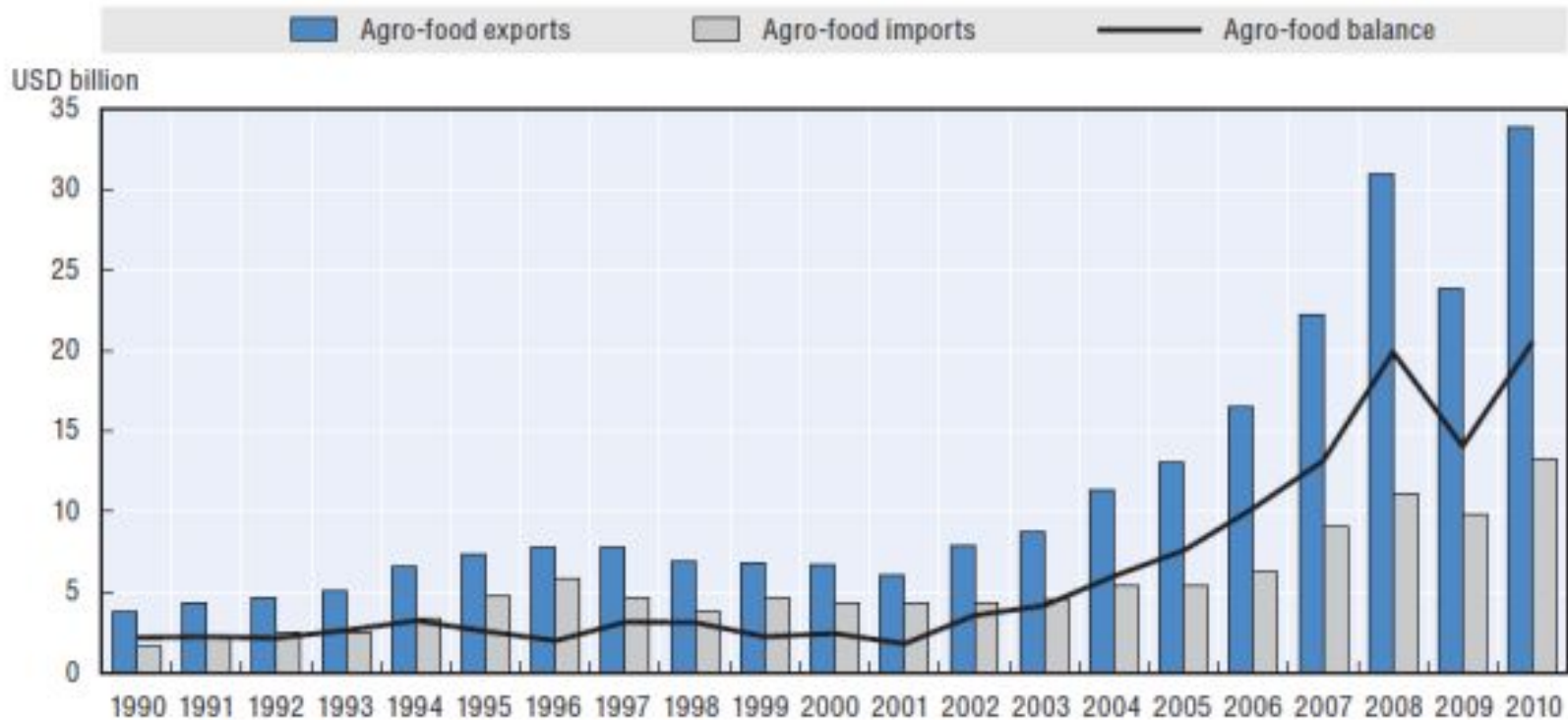


Food Security in Indonesia

- More than 32 million Indonesians currently live below the poverty line. In addition, approximately half the population lives just above the poverty line set at 200,262 rupiahs per month (US\$22).
- Approximately 25 million people are food insecure, particularly households engaged in food and cash crop subsistence farming and agricultural wage labor.
- Poverty is increasingly concentrated in rural areas, where 70 percent of the population lives.
- Due to the drought situation in the US, the price of imported soybean increased nearly twofold in July.



Food Imports and exports



Note: Agro-food trade includes fish and fish products as well as natural rubber, but does not include forest products.

Source: UN, UN Comtrade Database, 2011.

Situation in Indonesia

- Indonesia produces potentially high-value crops such as cocoa and spices, further investment is needed to improve the necessary processing and marketing systems needed to take full advantage of such high-value products.
- Indonesia's focus on achieving food security through self-sufficiency is misplaced.



Development plan spanning 2005-2025

- promoting quality of human resources
- development of science and technology
- strengthening economic competitiveness.

Solving the problem

- Increase public funding on agricultural research and development , including extension and advisory services.
- Improve the reliability of water supplies to farmers.
- Develop a long-term strategy for farm restructuring.
- Diversify financing sources for rural businesses.
- Reinforce legislation on environmental and forest protection.
- Improve agricultural policy governance and budget transparency.

Corruption in Indonesia

- There are two key areas in the public sector in which corruption in Indonesia can be found. These are the
 - justice
 - civil service sectors.
- In January 2012, it was reported that Indonesia has lost as much as Rp 2.13 trillion (US\$238.6 million) to corruption in 2011

Situation in Indonesia

- In January 2012, it was reported that Indonesia has lost as much as (US\$238.6 million) to corruption in 2011
- About one-quarter of ministries suffer from budgetary diversions in Indonesia.

Consequences

- First, corruption imposed a high burden in business transactions.
- Second, corruption is also has a huge impact on the culture of Indonesians.
- Third, corruption has destroyed confidence among citizens toward government officials and bureaucrats

Possible Proposals to reduce corruption

- 1) Reduce the government's role in the economy.
- 2) Pass a tough anti-corruption law and strictly enforce it to deter government officials from committing corruption.
- 3) Reform the civil servant's recruitment and promotion system.
- 4) Increase the salaries of civil servant to match the salaries offered in the private labor market.
- 5) Increase independent supervision of corruption.
- 6) Finally, we have to recognize that long-term corruption reduction schemes have to be followed with a strong political high positions in the government.